UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS
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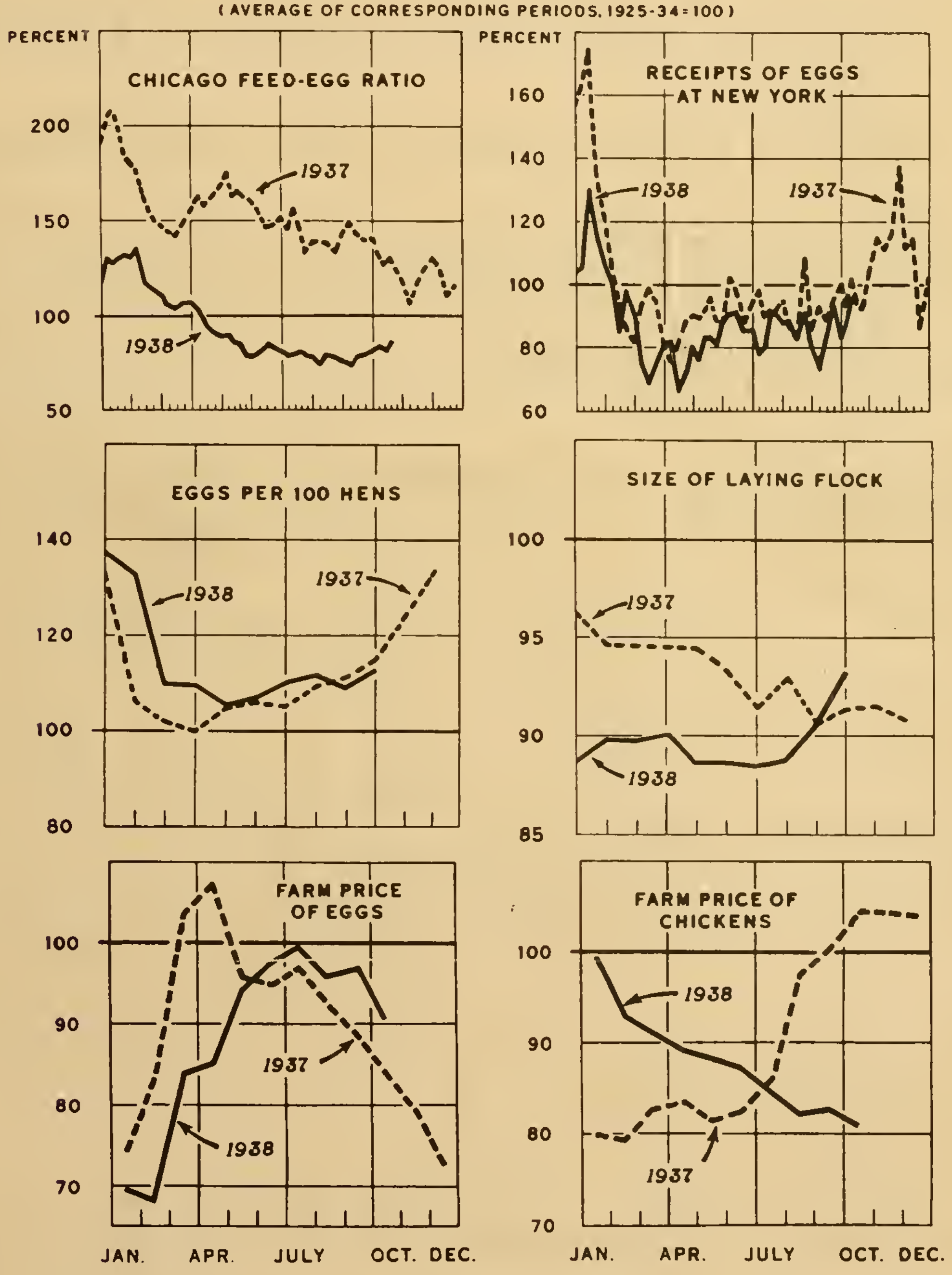
THE POULTRY AND EGG SITUATION



U. S. DEPARTMENT OF AGRICULTURE

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BUREAU OF AGRICULTURAL ECONOMICS

Recent developments in the poultry and egg situation, says the Bureau of Agricultural Economics, include (1) continued increase in marketings of dressed poultry, (2) a large increase in the number of layers per flock, (3) a greater-than-seasonal decline in the farm price of chickens, and (4) a less-than-usual advance in egg prices.

The increased hatch this year is being reflected in several ways. Receipts of dressed poultry at New York during October were 6 percent greater than in October last year and 20 percent greater than the 1925-34 average for the month. The into-storage movement of dressed poultry also is larger than usual. The number of laying hens in farm flocks on October 1 was 10 percent greater than the number on September 1. This compares with a 7-percent increase during this period last year.

The average farm price of chickens in October was 4.9 percent lower than in September as compared with a usual seasonal decline of 2.9 percent.

The fact that egg prices in October were only 9 percent over the September price as compared with a 10-percent rise last year, may be attributed to increased marketings and decreased consumption because of mild weather.

The following data bring up to date the tables given in the October issue of the Poultry and Egg Situation report.

		Unit	Oct. 1	Oct. 8	Oct. 15	Oct. 22	Oct. 29
Chicago, feed-egg ratio as percentage of 1925-34 av.	1937	Per-cent	141.0	132.8	127.4	131.5	125.5
	1938	"	81.7	83.7	81.4	85.9	89.4
Receipts of dressed poultry at New York	av. 1925-34	1,000 lb.	3,963	4,156	4,283	4,521	4,516
	1937	"	3,873	4,193	5,050	5,125	5,447
	1938	"	4,734	5,265	5,172	5,326	5,187
Storage holdings of dressed poultry at 26 markets	av. 1925-34	"	36,476	38,077	40,017	42,602	45,279
	1937	"	44,285	46,080	47,608	50,898	55,136
	1938	"	42,394	44,877	47,184	50,227	54,344
Receipts of eggs at New York	av. 1925-34	1,000 cases	95.6	95.1	87.4	81.8	80.2
	1937	"	96.2	89.3	89.3	78.2	74.2
	1938	"	79.6	83.5	84.0	77.0	67.8

	Unit	September Av. 1925-34	September 1937	September 1938	October Av. 1925-34	October 1937	October 1938
Farm price of chickens, 15th of mo.	Cents	17.3	17.4	14.3	16.8	17.6	13.6
Farm price of turkeys	"	---	---	---	20.8	16.7	16.5
Av. no. laying hens in farm flocks: 1st day of the month	No.	66.1	59.9	59.8	70.4	64.3	65.6
Eggs laid per 100 hens and pullets 1st day of the month	"	32.4	36.1	35.3	25.0	28.8	28.2
Farm price of eggs on 15th of mo.	Cents	25.7	22.9	24.9	30.0	25.2	27.1

THE ANNUAL OUTLOOK REPORT IS ATTACHED.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

Release Date
November 7, A.M.

THE OUTLOOK FOR POULTRY AND EGGS (INCLUDING TURKEYS) FOR 1939

After considering all important elements in the poultry, egg, and turkey outlook for next year, the Bureau of Agricultural Economics expects:

The feed-egg ratio to remain at favorable levels from the poultry producer's viewpoint at least until the harvest of the 1939 feed crop provided there are no important changes in the farm program;

Hatchings during 1939, therefore, to be still larger than the relatively large hatch of 1938, and probably as large as in any former year;

Poultry marketings in 1939 to exceed those of 1938; during the first half because of the heavy 1938 hatch; and during the last half because of the expected further increase in the 1939 hatch;

Fall and winter broilers - 1938-39 production to be heavier than during the past season. For this reason the situation is likely to be less favorable to producers;

Poultry storage stocks in early 1939 to be larger than in 1938, and the into-storage movement of poultry in late 1939 to exceed that of 1938 because of the heavier marketings;

Turkey production during 1938 to be nearly 4 percent greater than in 1937. A further increase in 1939 is expected;

Turkey situation in the fall of 1938 to be as favorable to producers as in 1937;

Chicken marketing situation to be less favorable in the fall of 1938 than last year because of the larger marketings. In the spring of 1939 increased consumer incomes will help to offset the effect of the expected larger marketings. The situation in the fall of 1939, with the expected heavier marketings, will depend largely on the level of consumer demand;

Laying-flock size in 1939 to be about 10 percent larger than during 1938;

Total egg production to be above 1938 because of increasing numbers of layers and a favorable feed-egg ratio;

Egg marketings in 1939, therefore, to be heavier than in 1938;

Egg storage stocks accumulated during 1939 to be larger than in 1938;

Egg situation to remain favorable to producers for the remainder of 1938 because of the low storage holdings. During the first half of 1939 the egg situation will probably remain favorable to producers because of the feed situation and the favorable outcome of the 1938 storage deal. The situation for the last half of 1939 is likely to be less favorable than 1938.

The feed situation

The year 1938 provides the second consecutive year of big crops following a series of years of reduced production. An almost record-large crop of wheat, and above-average production of corn, grain sorghum and barley, together with a heavy carry-over of grains from last year, indicate a total supply of feed grains for the year beginning July 1 about 10 percent greater than last season. However, feed disappearance from July 1 to October 1 has been considerably larger than last year, stocks in the hands of feed producers on October 1 being only about 3 or 4 percent above a year ago. The increase over last year in numbers of animal units will probably be about 5 percent. Some further increase in livestock numbers is to be expected next year, but the feed situation is expected to favor poultrymen at least until the approach of the 1939 harvesting season.

In September the feed-egg ratio was only slightly more than half as high as at the same time in 1937 and less than 80 percent of the 10-year (1927-36) average. This relationship of feed prices to chicken and egg prices is important to the poultryman because it indicates the relationship between what the producer gets for his poultry and eggs and the cost of his poultry feed, which is his major expense item. This relationship influences the number of pullets and hens saved for layers in the fall as well as the size of the spring hatch. It also influences the amount and kind of feed fed farm flocks which directly affects egg production. It is expected that with continued low feed prices the feed-egg ratio will remain at levels favorable to poultrymen at least during the first half of 1939.

The feed-egg ratio at Chicago, by selected weeks 1/
(Dozens of eggs required to buy 100 pounds of poultry ration)

Year	Week ended as of 1938											
	Jan. 6	Feb. 5	Mar. 5	Apr. 2	May 7	June 4	July 2	Aug. 6	Sept. 3	Oct. 1	Nov. 5	Dec. 3
	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.	Doz.
Average 1927-36	4.29	5.01	5.97	6.36	6.45	6.95	6.79	6.54	5.92	5.47	4.30	4.01
1937 ...	7.76	9.16	9.17	9.72	1080	1123	1018	8.90	8.17	7.06	4.69	4.79
1938 ...	5.50	6.68	6.89	6.70	5.85	5.44	5.50	4.98	4.26			

1/ These data published monthly in the Department's Poultry and Egg Situation. Feed-egg and feed-chicken ratios based on farm prices published monthly in its monthly Poultry and Egg Production Report.

Hatchings

Because of the favorable feed-egg ratio expected during the first half of 1939 a further increase over the relatively large hatch of 1938 is likely in 1939. Commercial hatchings during 1938 were reported as only slightly below the record high of 1936, which was in part due to an increasing tendency on the part of farmers to purchase commercially hatched chicks. Beginning in 1925, a 3-year cycle in number of chickens raised has been evident. Since the last high point in the present cycle was reached in 1930 it is expected, if the 3-year tendency is continued, that the high point will be reached in 1939.

Chicks and young chickens in farm flocks June 1, 1930-38
(1934 = 100)

Item	1930	1931	1932	1933	1934	1935	1936	1937	1938
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Young chickens on farms	117.1	102.3	105.0	111.5	100.0	99.4	110.9	94.7	105.9

Poultry marketings

Because of the heavier hatch, receipts for the balance of 1938 and the first months of 1939 are expected to exceed those of the previous year. Receipts of dressed poultry during the spring of 1939, however, will partially depend on the price of eggs then prevailing. In view of a liberal supply of feed and an anticipated active demand for storage-packed eggs next spring, there may be some tendency to retain more than the usual number of hens on farms. Because of the prospective heavier hatch in 1939 than in 1938, marketings of poultry during the last half of that year are likely to exceed those of 1938.

Fall and winter broilers

Reports from representative producers in the broiler-producing area of Delaware, Maryland, and Virginia point to the possibility of a very substantial increase in the number of broilers to be raised in that area this fall and winter compared with a year earlier. The abundance and relatively low price of feed in the broiler-producing sections of the Middle West will most likely maintain broiler production in that area during the remainder of the season above the level of the preceding year. This expansion by producers already established in the industry as well as the entrance of new producers is likely to offset any price advantage gained through the more favorable feed situation.

Poultry storage

Stocks of frozen poultry at the peak in early 1939 are expected to be heavier than in 1938 but lighter than the record holdings in 1937. Because of the larger production of chickens and turkeys in 1938 the net into-storage movement during the period of accumulations from September to January is expected to exceed that of a year ago and is likely to approximate or slightly exceed the average of the 10-year period 1926-27 to 1935-36. The into-storage movement of poultry during the latter part of 1939 is also expected to exceed that of 1938.

United States storage stocks of poultry
(Pounds - 000 omitted)

Marketing season	September 1	Net into-storage Sept. 1 - Jan. 1	January 1
10-year average (1926-27 to 1935-36)	41,281	79,573	120,854
1936-37	65,488	122,399	187,887
1937-38	63,733	59,767	123,500
1938-39	54,992		

Turkey situation

The number of turkeys on hand September 1, 1938, was estimated to be nearly 4 percent greater than in 1937 and about 6 percent less than in 1936, which was the year of maximum production.

Change from 1937 in turkeys on hand September 1

Region	Change from 1937
	Percent
New England	+ 10
Middle Atlantic	+ 9
East North Central	+ 12
West North Central	+ 10
South Atlantic	- 2
East South Central	-14
West South Central	0
Mountain	- 7
Pacific Coast	+ 5
Weighted U. S. average	3.7

The present situation indicates that the outcome of the current turkey season will be at least as favorable to producers as last year, especially to those who purchase their feed. Favorable factors this year include much lower prices of poults, a favorable growing season with heavier weights, smaller carry-over of turkeys and chickens in cold storage, and an increased tendency toward all-year-round consumption of turkeys. The moderate increase in numbers and weights of birds to be marketed and the present low levels of consumer incomes compared with a year ago will partially offset the favorable factors.

A favorable outcome in the current season with abundant feed available for next season would most likely result in a further increase in numbers of turkeys in 1939.

United States farm price of turkeys per pound

Year	October	November	December	January
	Cents	Cents	Cents	Cents
Average 1927-36	18.9	20.2	19.9	19.3
1936-37	15.9	15.0	14.3	14.1
1937-38	16.7	17.9	18.0	17.5
1938-39	16.5			

Chicken prices

While storage and fresh supplies of poultry in the first half of 1939 will probably be larger than in 1938, increasing consumers' incomes may offset the price effect of these supplies. Chicken prices usually advance seasonally about 15 percent from a winter low until April or May. Such an increase in 1939 would cause prices to approach those of the spring of 1938.

Farm price of chickens per pound

Year	Jan.	Mar.	May	July	Sept.	Nov.
	Cents	Cents	Cents	Cents	Cents	Cents
Average 1927-36	15.8	16.4	17.0	16.3	16.2	15.1
1937	13.4	14.4	14.8	15.3	17.4	16.9
1938	16.7	15.9	16.1	15.0	14.3	

The expected increase in 1939 hatchings will probably offset the price effect of the anticipated increases in consumer income during the last half of 1939. It is likely that prices in 1939, however, will not decline from their peak as much as in 1938 when large supplies of young chickens added to the effect of relatively low consumers' incomes.

Laying-flock size

The average size of laying flocks decreased about 23 percent from January 1 to September 1 of this year compared with 29 percent last year and with a usual decrease of about 25 percent. On January 1, 1938, the average number of layers per farm flock was the lowest on record for that date since records began in 1924. By October 1, however, it was 2 percent greater than on that date last year.

Hens and pullets in farm flocks on the first day of month

Year	Jan.	Mar.	May	June	Aug.	Sept.	Oct.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average 1927-36	86.5	83.2	76.0	71.8	65.2	64.6	69.8	81.1
1937	84.2	80.0	73.1	68.5	62.1	59.9	64.3	74.4
1938	77.6	75.8	68.6	65.0	59.3	59.8	65.6	

With increased numbers of early pullets entering the laying flock, a favorable feed situation, higher egg prices and lighter culling of both young and old stock, the size of laying flocks probably will be about 10 percent larger during the coming year than they have been during 1938.

Rate of egg production

Favorable weather with an abundance of feed and a very favorable feed-egg ratio has stimulated heavy feeding, resulting in increased egg production per layer during the past year. During every month from January to August, inclusive, egg production per hen continued at a record-high seasonal level. In September and October the rate dropped below the level of last year, but it still exceeded the record for all other years.

With increasing numbers of early pullets entering the flocks, and assuming average weather conditions, a rate of production above the 10-year average should continue throughout the next year, but may not reach the record-high seasonal levels of 1937 and 1938.

Eggs laid per 100 hens and pullets of laying age in farm flocks

Year	Jan.	Mar.	May	July	Sept.	Total Jan-Sept.	Oct.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average 1927-36 ..:	17.3	37.8	55.3	42.5	32.2	349.5	25.0	14.7
1937 ....:	22.0	39.2	57.8	44.4	36.1	370.9	28.8	18.6
1938 ....:	22.7	42.2	58.1	46.5	35.3	389.0	28.2	

Total egg production

Total egg production from January 1 to September 1 of this year was about one-half of 1 percent higher than during the same period of last year and 1.6 percent higher than the 10-year (1927-36) average. Although the average number of layers was about 5 percent smaller this year than last, the increased rate of lay per bird was more than enough to offset the decreased numbers of layers.

With increasing numbers of layers expected for the next year and a favorable feed-egg ratio, total egg production during the coming year is expected to be larger.

Eggs laid per farm flock

Year	Jan.	Mar.	May	July	Sept.	Total Jan.-Sept.	Oct.	Dec.
	Number	Number	Number	Number	Number	Number	Number	Number
Average 1927-36 ...	15.0	31.6	41.6	28.6	20.5	260.5	17.3	12.0
1937	18.5	31.7	41.8	27.9	21.1	263.3	18.3	14.1
1938	17.8	32.5	39.4	28.2	20.7	264.6	18.3	

Egg marketings

Although the production of eggs for the first 9 months of 1938 was slightly larger than last year, egg marketings were lighter than in either 1937 or 1936.

Unless weather conditions are particularly severe during the winter, the rate of marketings by the end of 1938 is expected to be larger than that of a year earlier because more birds will be added to laying flocks. An exceptionally favorable feed-egg ratio and larger numbers of laying birds are likely to result in comparatively heavy marketings of eggs throughout 1939.

Egg storage

Stocks of shell eggs in cold storage in the United States at the peak of the 1938 season, August 1, were lower than a year ago by approximately 2,250,000 cases (or 26.5 percent), and the lightest since 1916. While stocks of frozen eggs were smaller than in 1937 they were larger than the 1927-36 average, but not sufficiently large to offset the shortage in shell-egg storage holdings.

The anticipated favorable outcome of the current storage operations is likely to result in an increased demand for eggs to be stored next spring. In addition, supplies of eggs available for storage are expected to be larger in 1939 than a year earlier. Accordingly, storage stocks of shell and frozen eggs in 1939 are expected to be larger than in 1938.

Shell and frozen eggs in cold storage on the first day of the month converted to shell-egg equivalent 1/

Year	Jan.	Mar.	May	Aug.	Sept.	Oct.	Dec.
	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases	1,000 cases
Average 1927-36	2,723	1,374	6,316	12,096	11,348	9,838	4,786
1937	2,132	1,305	6,925	13,486	12,969	11,293	6,127
1938	3,951	2,817	6,515	10,278	9,514	7,914	

1/ Cases of 30 dozen eggs.

Egg prices

Egg prices during the winter months will be materially affected by weather conditions, particularly since the reserve supply of eggs in storage is at abnormally low levels. Severe winter weather might cause an extreme although temporary rise in egg prices. The expected small carry-over of storage eggs on January 1, 1939, together with improving consumers' incomes, are favorable factors which are likely to more than offset the expected larger supplies of fresh eggs during the early part of 1939.

With larger into-storage movement in prospect for 1939 and increased supplies of fresh eggs, the egg market during the last half of 1939 will probably be somewhat weaker than in 1938. If consumer incomes should improve materially, however, they may offset the unfavorable effect of large egg supplies.

Farm price of eggs per dozen

Year	Jan.	Mar.	May	July	Sept.	Nov.
	Cents	Cents	Cents	Cents	Cents	Cents
Average 1927-36	27.3	18.2	17.7	18.8	24.5	32.5
1937	23.1	19.9	17.9	19.4	22.9	28.0
1938	21.6	16.2	17.6	19.9	24.9	

Long-Time Factors in the Poultry Outlook

Summary

The outlook for 1939 points to an increase in poultry and egg supplies. The expected expansion of the industry in 1939 may lead to some temporary contraction of production in 1940. Unless unfavorable conditions intervene, however, the swing of production over the next 4 or 5 years is likely to be upward from the relatively low levels of the past several seasons.

The high point in numbers of chickens on farms, around 475 millions, was reached in 1928. Since that time numbers have declined to about 387 millions in 1938 due to droughts and disturbing economic conditions. In view of the volume of production of the poultry industry at its peak in 1928, it seems reasonable to expect some re-expansion over the next few years. While the increase in population over the past decade would require some increase in average production if per capita consumption is to be maintained, the trend toward increased efficiency of layers has been such that former levels of production can be attained with fewer birds.

More specific factors pointing in the direction of an increased output of poultry and eggs are (1) the probability of more abundant feed in most of the recent drought areas, (2) a long-time tendency toward a higher rate of lay per bird, and (3) a continuation of the trend toward commercial flocks. In the case of poultry meats, the trend is in the direction of more specialized methods of production, evidence of which is to be seen in the increasing production of fall and winter broilers and turkeys.

Regional trends in egg production

Reductions in numbers of layers during the past 10 years have occurred in all regions of the United States, the decrease having been sharpest in the central parts of the country and least marked in the areas of commercial production in the Northeast. Much of the reduction in numbers of birds, especially in the West Central States, was caused by the droughts in 1934 and 1936. More normal crop conditions in this area will undoubtedly bring about a substantial recovery of poultry production during the next few years.

Numbers of layers in the highly commercialized areas of the far Western States have shown a decline of 17 percent as compared with only 2 percent decline in the similar commercialized section of the North Atlantic States. One of the reasons for the greater decrease in the far West has been the low level of egg prices in recent years, which has made it difficult for eggs from that section to bear the cost of transportation to Eastern cities. Another factor has been the increase in the proportion of high quality eggs produced in areas other than the far West, since such eggs now compete strongly in the eastern metropolitan markets with Pacific Coast eggs.

The South since 1928 has maintained practically a constant proportion (30 percent) of the hens in the United States, but has not increased its rate of lay per bird quite as much as the rest of the country. This section will probably endeavor to increase production in the future both because of a more diversified agriculture and in order to care for its increasing urban population.

Another trend in the poultry industry is the increasing importance of large-scale commercial egg production. This development has been especially marked in the North Atlantic States during recent years and is largely responsible for the fact that this region now produces more than 12 percent of the total United States egg production as compared with only about 10 percent in 1928. Commercial egg producers usually specialize in the production of eggs of good quality during the periods of normal scarcity. Present indications point to an increase in the proportion of eggs from commercial laying flocks.

Trend in rate of lay per bird

A persistent increase in the number of eggs laid per hen has been shown since data were first made available by the Federal Census in 1880. Part of this gain may be ascribed to more intensive methods of commercial egg production. Sample flock returns indicate that commercial flocks produce about 19 percent more eggs per layer than average farm flocks. Practically all of this increase in production per layer by large over small flocks comes during the fall and winter months.

For the future, it is safe to assume that improvements in laying stock will continue and that better management methods will become more general. The industry is adopting measures to control mortality of layers, which is especially troublesome in large commercial flocks. Average production per hen will vary from year to year, but the longtime trend is upward.

Mortality in laying flocks

There has been a striking increase in the mortality of layers during the past 15 years and an almost equally striking decrease in losses of chicks and young chickens. Increased losses of layers are shown in all areas, but have been most pronounced in the heavy commercial areas and in commercial flocks. Data for farm flocks are meager, but suggest that losses in these have not increased nearly so rapidly as in commercial flocks. Records kept on flocks under close confinement indicate that mortality in these selected flocks during the past 15 years has almost doubled.

There have been numerous explanations for this increase in laying flock mortality, none of which are generally accepted. Many diseases and parasites have been brought under control, but as solutions have been found for older diseases, new ones have developed. One of the most destructive groups of diseases at present, of which little is known and for which no effective control has yet been developed, is leucosis. Until effective methods of control for leucosis are found, mortality of laying flocks will no doubt remain high.

Average annual mortality of chickens as reported
by State extension specialists 1/

Year	Young chickens		Mature chickens	
	No. of States reporting	Percent Mortality	No. of States reporting	Percent Mortality 2/
1925			4	11.2
1926			4	13.7
1927	3	21.8	6	12.7
1928	6	16.3	9	13.6
1929	6	20.2	8	13.8
1930	6	16.4	12	15.8
1931	7	13.8	13	15.3
1932	7	13.7	19	17.5
1933	9	11.8	23	17.8
1934			15	19.5
1935			15	18.8
1936			14	20.5

1/ The mortality of young chickens shown in the table covers the first 8 or 10 weeks of the brooding period. The South Atlantic and Western States are not represented.
2/ Average of State averages.

Seasonal Changes in Egg Production

The proportion of the annual supply of eggs sold during winter months has been increasing since pre-war years. While this increase has not been a constant one it has now reached such proportions that it materially affects poultry producers' operations.

The accompaying table indicates the extent to which New York receipts of eggs during fall and winter months have increased relative to marketings at other seasons:

Egg receipts at New York City - 7-year averages
Percent each month is of average annual totals

Period	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1910-16	4.0	5.3	10.9	15.9	16.1	12.2	8.7	7.7	6.6	5.6	3.5	3.5	100.0
1917-23	4.2	6.0	12.9	15.5	14.5	11.7	8.7	7.5	6.4	5.5	3.6	3.5	100.0
1924-30	5.6	7.0	12.1	15.0	14.0	11.4	8.4	6.8	6.1	5.1	3.9	4.6	100.0
1931-37	7.4	7.4	11.4	12.6	13.3	10.9	8.3	6.9	6.1	5.5	4.8	5.4	100.0

An increased supply of winter eggs can be obtained by the use of pullets from earlier hatchings, improvements in laying stock, and improved housing and management. The increase of winter egg receipts reflects, to some extent at least, the growth of commercial poultry farms specializing in egg production.

At least partially as a result of the changing seasonal trend in egg supplies there has also been a change in the trend of seasonal egg prices since prewar years. Since 1930 farm egg prices have usually reached a peak in November instead of December and the rise to and decline from this peak now occurs about one month earlier than it did during the years prior to 1931.

Trends in the production of poultry meats

Of considerable importance in the production of poultry meats is the trend toward more commercialized production methods. One of the factors making for this tendency is the development of more specialized and efficient egg production methods, which has reduced the supply of poultry meats arising as a by-product of egg production. The growing practice of sexing baby chicks and destroying surplus males is further reducing the supply of poultry meat from this source. This has encouraged the production of fall and winter broilers as a specialized enterprise, and may lead to similar methods in the production of roasters and heavier meat birds.

Until the advent of commercial production methods, broilers were mainly the by-product of the production of layers. Marketings were limited to the spring and summer months, with little or no attention given to the production of "off-season" broilers for use during fall and winter months.

Specialized broiler production on an extensive scale was begun many years ago in several sections of the country, notably the North Atlantic States and later in the Delaware-Maryland-and-Virginia area. Recently it has been started in other areas, examples of which are northwestern Arkansas and parts of Indiana.

Turkey production over the past three or four decades has shown several reversals of trend. It fell to a low level in the twenties owing to the long-continued and heavy losses from blackhead. Following the gradual adoption of control methods for this and other diseases, the decrease was arrested and numbers began to increase. The trend of production has been sharply upward during the past 10 years, and numbers during recent years exceed those of any previous period. Population increase, however, has been such that per-capita consumption is still a little below that of earlier periods.

Production of turkeys in larger flocks and under improved management methods has been characteristic of the industry in recent years. This improvement, together with the development of a year-around market for turkeys, promises a continued expansion of the industry to the point where per-capita consumption will probably equal and may exceed that of earlier years.

Increasing the consumption of poultry products

A recent development in the poultry industry has been the effort of producers and trade groups to increase the demand for eggs and poultry products through various methods of advertising and sales promotion. Efforts of this kind have taken several forms, the most important of which are the producer-consumer campaigns sponsored by organized retail groups.

In connection with these or any other efforts at sales promotion for eggs, several factors need to be kept in mind. Consumption in any season is largely determined by the amount produced. Any immediate effect of advertising or sales promotion will thus be reflected in terms of price rather than of increased per-capita consumption, as is sometimes thought.

The price at which a given volume of eggs can be moved into consumption is dependent mainly on the level of consumer purchasing power. Within limits, however, this price may be influenced by efforts on the part of the trade to "push" the product. Because of their general use and the already widespread knowledge of their food properties, it is doubtful if the demand for eggs can be greatly increased by advertising and sales promotion efforts alone.

In connection with their efforts to "push" the sale of eggs and poultry products, most retailers make special price concessions to consumers. Insofar as this results in a narrowing of marketing spreads, it reacts to the benefit of both producers and consumers.

A factor often lost sight of in efforts to increase the consumption of food products is the effect of family income on food purchases. Eggs and especially poultry meats are often in the nature of a semi-luxury for many people of limited means. Studies which have been made indicate that families whose incomes permit food purchases of $150 or more per capita per year eat more than twice as many eggs as those whose per capita food budget is as little as $100 or less per year. For large sections of the population the way to greatly increased demand is clearly through an increase in the wherewithal to buy. (See table below for per capita consumption of chickens and eggs.)

Annual per capita consumption of chickens and eggs

Year	Chickens	Eggs
	Pounds per capita	Pounds per capita
Average 1926-30	21.2	42.2
1931.......	20.2	40.8
1932.......	20.4	38.3
1933.......	21.1	37.2
1934.......	19.4	36.0
1935.......	18.6	34.4
1936.......	20.4	34.8
1937.......	19.0	38.6

The Relation of Foreign Trade to the Poultry Industry

Foreign trade is a comparatively unimportant factor in the American poultry industry. In 1936 the total value of poultry and egg imports into the United States was 2.5 million dollars, less than one percent of the total U. S. farm income (890 million dollars) from poultry and eggs.

United States imports of Chinese eggs

American egg imports from China consist chiefly of dried eggs. The imposition of a 50 percent higher duty in 1930, together with depressed economic conditions, have caused a substantial reduction in the volume of such imports since that time (see table). Imports in 1936 and 1937 exceeded those of the earlier depression years, but indications are that those of 1938 will be the smallest on record.

Since 1909 the United States tariff on eggs and egg products has been revised upward a number of times. Each tariff rate increase was chiefly at the expense of China. The application of the 1930 tariff duty amounting to 10 cents per dozen caused a virtual exclusion of imports of fresh eggs from China. The same Tariff Act resulted in the virtual elimination of Chinese albumen from the American market, while the imports of frozen yolk are still at low levels. The tariff duty on dried yolk is 27 cents per pound.

Inasmuch as egg imports from China are relatively unimportant in comparison with domestic egg supplies, even the complete exclusion of such imports would not materially benefit United States farmers. Ordinarily China buys more from the United States than from any other country in the world and much more than the United States buys from China. The maintenance or expansion of our exports to China of such products as cotton, tobacco, and wheat depends to some extent, at least, upon our ability and willingness to increase our imports from China.

Japanese poultry export programs

Reports are current in the American poultry industry concerning the Japanese plans to export frozen poultry to the United States on a large scale. Information available in the Department seems to indicate that the successful realization of any such contemplated plans is doubtful.

Total American imports of all types of Japanese poultry for the period January-August 1938 amounted to only 83,917 pounds. With the exception of two large shipments of 30,000 pounds each, in April and June, imports prior and since have been very small.

Though Japanese labor is rather cheap, the margin of profit on poultry exported from Japan to the United States is necessarily low because of the cost of freight to New York (6 cents per pound) and the import duty (also 6 cents per pound).

Imports of eggs and egg products from China into the United States, 1925-38

Year	Egg albumen		Egg yolks		Whole eggs		Eggs in shell
	Dried	Frozen	Dried	Frozen	Dried	Frozen	
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 doz.
5-year av. 1925-29	3,333	1,855	4,745	3,564	1,153	6,701	292
1930	2,934	681	6,402	1,586	1,185	1,980	287
1931	1,965	---	3,881	763	700	6	290
1932	1,422	---	1,170	412	20	2	222
1933	656	---	2,540	344	17	101	207
1934	391	---	2,320	393	---	955	186
1935	1,864	---	3,916	1,196	579	---	17
1936	2,358	---	4,896	805	506	---	23
1937	2,839	---	5,421	1,465	587	25	47
Jan.-July 1937	1,626	---	3,469	1,072	374	---	15
Jan.-July 1938	327	---	201	364	126	---	58

Compiled from Foreign Commerce and Navigation of the United States.

Trade agreements affecting poultry products

The American poultry industry is little, if any, affected by the trade agreements now in force. Canada is the only country where the trade agreement touches upon poultry items. The agreement provides that the duty on imported live poultry from Canada shall be reduced from 8 to 4 cents per pound and on dead chickens and guineas from 10 to 6 cents per pound. Canada reduced her import duties on live and dressed poultry from 20 percent to 17½ percent ad valorem. Our concession to Canada automatically extends to all other countries which trade with the United States under the terms of the most-favored nation clause, but this is unimportant because Canada is the main souce of poultry meat imports.

Since the enactment of the trade agreement, exports of Canadian poultry to the United States have increased from 42,000 pounds in 1935 to 1,292,000 pounds in 1936, finally reaching a high of 4,441,000 pounds in 1937. Imports reached this high figure largely because supplies of American poultry were low on account of the drought. The sharp upturn of 1937 was not carried into 1938. Imports in the first 6 months of 1938 amounted to 546,000 pounds, or 37 percent lower in volume and 34 percent lower in value than the imports of the corresponding 1937 period.

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